

Society

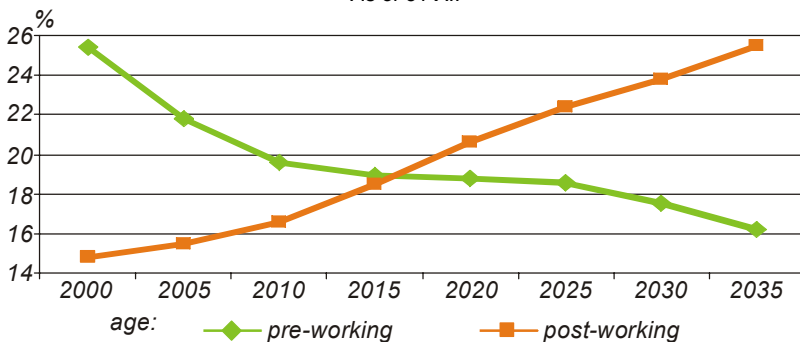
POPULATION

The number of population as of 31 XII 2008 amounted to 3287.1 thous., what placed the voivodship on the fourth position in Poland, after Mazowsze, Silesia and Wielkopolska. The population density is here one of the highest in the country and it amounts to 217 persons/km² (the country average - 122 persons/km²).

Females constitute 51.5% of total population of Małopolska¹. Since 2000 the feminization rate has remained at the same level, i.e. 106 females per 100 males (in Poland - 107).

The pre-working age population (aged 0-17) accounted for 20.4% of total population and this share decreased by 0.4 percentage point in annual terms. Simultaneously, the share of the working age population (aged 18-59/64) slightly increased, i.e., by 0.2 percentage point up to 63.5%, and the share of the post-working population (aged 60/65 and more) increased by 0.2 percentage point to 16.1%. In comparison with the end of 2005 the percentage of the pre-working age population diminished by 1.4 percentage point, and the percentage of other population augmented (at the working age - by 0.8 percentage point and at the post-working age - by 0.6 percentage point), what demonstrates the slow process of aging of the society. The graph 1 presents the share of the pre-working age and of the post-working age population in total population. Data for 2000 and 2005 are real data and for 2010-2035 a prognosis².

Graph 1. Share of the pre-working and post-working age population in total population
As of 31 XII



Source: SO Kraków, own study.

¹ Names "Małopolskie voivodship" and "Małopolska" are used interchangeably.

² With the use of population projection for years 2010-2035, Warsaw 2008.

Since 2000 we have observed an upward tendency of the population in Małopolska. Within the space of 9 years this number increased by 2.0%. In 2008, once again, the natural increase was positive and it amounted to 2.2 per 1000 residents (in Poland 0.9) towards 1.4 a year before and 1.1 in 2005. During 12 months almost 37 thous. children have been born in the voivodship. The rate of live births was equal 11.3‰ towards 10.5‰ a year ago and 10.0‰ three years ago. In the year under discussion 29.7 thous. people died in the voivodship. The rate of deaths achieved the level of 9.1‰ (towards 9.0‰ in 2007 and 8.9‰ in 2005). Therefore, both the rate of births and the rate of deaths showed an upward tendency.

In 2008 on the area of Małopolska 22.0 thous. marriages were contracted, i.e., more by 2.9% than in 2007 and by 22.0% than in 2005. Simultaneously 4.4 thous. marriages were dissolved by divorce, i.e. more than a year ago by 5.1%, but less than three years ago by 6.7%. The rate of intensity of marriages increased and it amounted to 6.7 per 1000 population, however the rate of intensity of divorces stabilized at the level of 1.3.

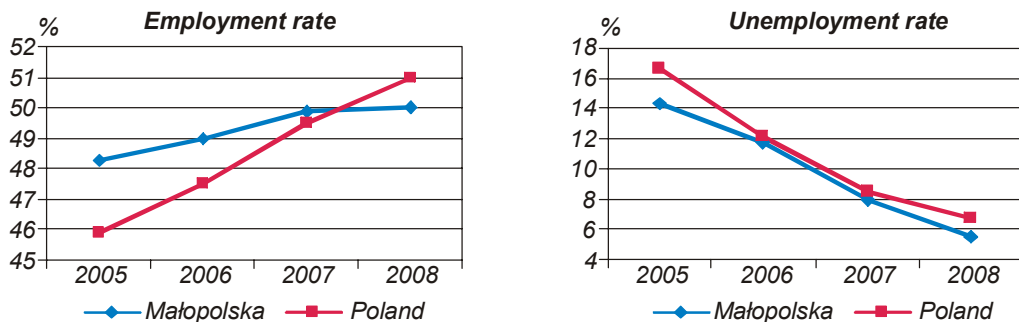
Permanent net migration in the discussed year was positive and it amounted to 2.2 thous. persons, on urban areas an outflow of population was recorded (minus 2.5 thous. persons), and on rural areas there was an inflow of population (plus 4.7 thous. persons).

In 2008 in the Małopolskie voivodship males lived on average 72.9 years (in Poland 71.3 years), however females 80.9 years (in the country 80.0 years). In relation to 2000 males live longer by one year and a half, and females by 2 years.

LABOUR MARKET

According to LFS in 4th quarter of 2008 in Małopolska there were 2623 thous. people aged 15 and more, of which 1388 thous. economically active persons. The activity rate amounted to 52.9% (in Poland 54.7%), however, the employment rate did not exceed 50.0% (in the country it amounted to 51.0%). The unemployment rate by LFS was relatively low - 5.5% (in Poland 6.7%).

Graph 2. Employment and unemployment rates in IV quarter by LFS



S o u r c e: SO Kraków, own study.

For several years positive changes have been observed on the labour market. The employment rate increased, then it stabilized at the unchanged level, and the unemployment rate showed a sliding tendency. It is shown on the graph 2.

Employed persons

Last years the situation on the labour market was influenced by many socio-economic factors, i.a. increase of the number of the working age population and bigger inflow of persons returning from paid emigration abroad as well as augmented number of entities conducting economic activity.

At the end of 2008 the number of employed persons (by actual workplace) in Małopolska amounted to 1121 thous. (8.2% employed persons in the country). It was more by 2.6% than in 2007 and by 9.6% than in 2005. Women constituted 46.7% of the employed in the voivodship. 76.2% of total employed persons worked in private sector. The increase of total number of employed persons was influenced mainly by the development of private sector, where the number of employed persons augmented by 3.5% per annum, whereas in public sector there was a slight decrease (by 0.3%).

In 2008 by economic sectors the most people worked in a sector of market services services - 38.0% (towards 37.5%). Persons employed in industry and construction accounted for 27.3% of total employed persons (towards 27.2% the year before), and in non-market services - 18.3% (towards 18.5%). In comparison with 2005 the share of employed persons in industry and construction as well as in market services increased respectively by: 1.0 and 1.6 percentage point, and in non-market services - decreased by 1.0 percentage point, what demonstrates a slight declining tendency.

Registered unemployment

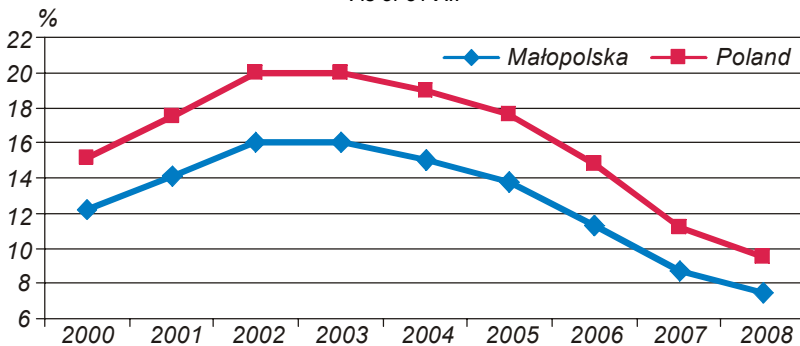
The number of registered unemployed persons decreased year in, year out. As of the end of December 2008 there were 97.8 thous., i.e. less by 13.1% than the year before and by 45.1% than in 2005. In total number of unemployed persons, women constituted 59.0%.

The unemployed persons registered at the end of 2008 in Małopolska accounted for 6.6% of total unemployed persons in the country. In years 2003-2008 in Poland the registered unemployment rate³ decreased over twice (from 20.0% to 9.5%). This positive tendency observed in Poland, was reflected also in the Małopolskie voivodship, where the registered unemployment rate also decreased over twice (from 16.0% as of the end of 2003 to 7.5% as of the end of 2008). Małopolska came in forth among voivodships with the lowest registered unemployment rate, after the following voivodships: Wielkopolskie (6.4%), Śląskie (6.9%) and Mazowieckie (7.3%).

³ *The registered unemployment rate is the percentage share of the number of registered unemployed persons in the number of economically active civil population.*

Graph 3. Registered unemployment rate

As of 31 XII



Source: SO Kraków, own study.

Work conditions

Work in Małopolska was one of safer in the country. One of the lowest accident rate in Poland was registered here. At the end of 2008 in Małopolska the number of persons working in hazardous conditions calculated per 1000 paid employees of total surveyed amounted to 87.5 and it was lower than in 2007 (88.7) and in 2005 (92.2), what can show the improvement of work conditions in comparison with previous years⁴.

In 2008 the number of persons injured in accidents at work⁵ amounted to 6.3 thous. persons (towards 6.4 thous. in 2007 and 5.3 thous. in 2005). 2.0 thous. compensations were paid due to accidents at work and occupational diseases on the total amount of 5453 thous. zł. Occupational accidents benefits accounted for above 96% of all benefits and 4584 thous. zł were allocated for them, i.e., above 84% of the sum paid. An average cost of one occupational accidents and occupational diseases benefit amounted to 2713 thous. zł in 2008 and it was similar as the year before - 2691 zł (towards 2403 zł in 2005).

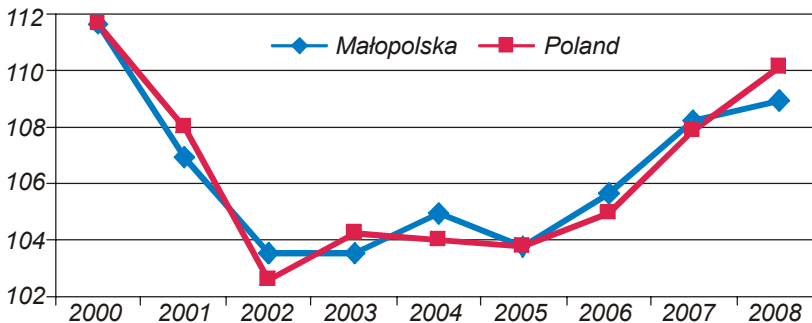
WAGES AND SALARIES

In the Małopolskie voivodship in 2008 average monthly gross wages and salaries shaped at the level 2712.31 zł, i.e. by 8.9% higher than the year before. It constituted 92.2% of the country average. In public sector wages and salaries were bigger (3238.50 zł) than in private sector (2461.04 zł). It is worth to mention, that a relatively high increase of average wages and salaries occurred while paid employment also significantly augmented.

⁴ It concerns economic entities employing more than 9 persons.

⁵ Registered during the year; excluding accidents on private farms in agriculture.

Graph 4. Dynamics of average monthly gross wages and salaries
previous year=100



S o u r c e: SO Kraków, own study.

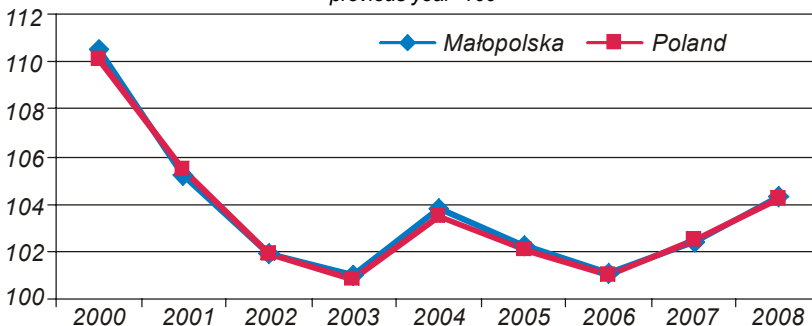
In 2008 average paid employment in Małopolska amounted to 654.2 thous. people and in relation to the previous year it was higher by 6.0% (it concerns entities employing more than 9 persons, excluding persons employed abroad). Since 2003 an average number of paid employees has systematically increased, and the pace of this increase has accelerated.

Since 2000 an average monthly retirement and pension has shown an upward tendency. In the year under discussion it achieved the level of: 1326.26 zł (from ZUS - the Social Insurance Fund) and 831.39 zł (from KRUS - the Agricultural Social Insurance Fund).

PRICES

Prices of consumer goods and services in 2008 increased on average by 4.3% (towards 2.4% a year before), in Poland by 4.2%. The most went up housing, water, electricity, gas and other fuels (by 8.3%), alcoholic beverages and tobacco (by 6.4%) as well as food and non-alcoholic beverages (by 6.2%). Clothing and footwear went cheaper (by 8.6%) and insignificantly recreation and culture (by 0.1%). The graph 5 reveals an analogy between changes of prices in Małopolska and in Poland.

Graph 5. Indices of prices of consumer goods and services
previous year=100



S o u r c e: SO Kraków, own study.

HOUSEHOLD BUDGETS

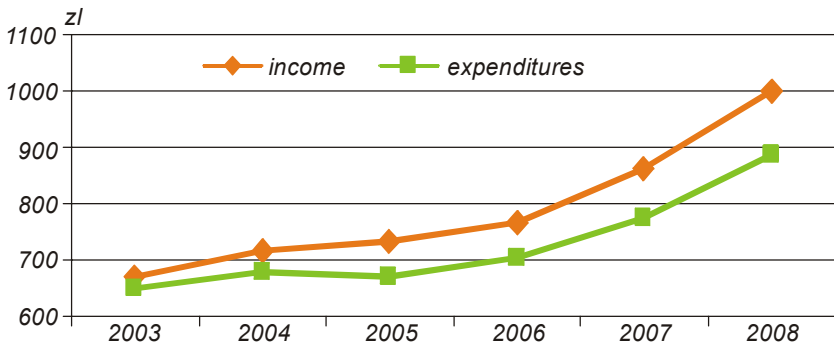
In 2008 in the Małopolskie voivodship the survey of household budgets included 3042 households. Above 51% of them maintained from hired work, almost 34% from retirement pay and pension, a little over 8% from self-employment (excluding the use of private farm in agriculture) and about 7% households maintained from non-earned sources or work on private farm in agriculture.

In Małopolska an average monthly per capita nominal available income in households amounted to 1000.74 zł and in relation to 2007 it increased by 15.8%. It was less by 45 zł from the available income of a statistical Pole.

The level of total average monthly per capita expenditures of households amounted to 889.44 zł, of which on consumer goods and services - almost 855 zł (by about 11 zł less than in the country).

The graph 6 presents relations between average per capita income and expenditures of households. Due to keep the comparability of data, years 2000-2002 have not been shown on the graph (see general notes to the chapter "Household budgets").

Graph 6. Average monthly per capita available income and expenditures of households



Source: SO Kraków, own study.

In comparison to 2007 the furnishing of households with selected durable goods improved, especially with personal computers with access to the Internet, satellite television equipment (including cable television) as well as household appliances. In relation to 2005 furnishing with mobile phones considerably augmented, too. Statistically, each household surveyed in 2008 possessed a refrigerator, a television set, a washing machine and every second possessed a passenger car, satellite television equipment and a personal computer with access to the Internet.

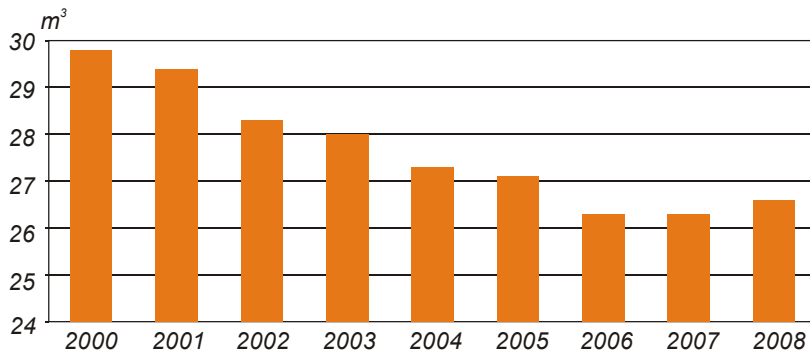
MUNICIPAL INFRASTRUCTURE

Last years the state of the infrastructure in the Małopolskie voivodship improved, because the water-line, sewerage and gas network was developed and new roads were built. The length of the distribution water-line network in Małopolska amounted to 17067 km and in comparison to 2007 it went up by 4.2% and with reference to 2005 - by 8.6%. The length of the sewerage network (including collectors) in the analysed period amounted to 8697 km, i.e., more respectively by: 6.2% and 21.5%.

The length of the gas-line network - 21903 km - increased in relation to 2007 by 117.5 km and to 2005 - by 275.8 km. Year in, year out, the number of receivers of gas from the gas network augmented and in 2008 it reached 687.0 thous.

Water consumption from water-line system in households of the voivodship per capita (26.6 m^3) slightly increased in comparison to the previous year, what can mean slowing down or reversing the previously existing declining tendency.

Graph 7. Water consumption from water-line system in households per capita



S o u r c e: SO Kraków, own study.

Electricity consumption per capita in urban areas (890 kW-h), in spite of decreasing in 2007, has shown an upward tendency for several years. Gas consumption per capita (122.3 m^3) a little increased in relation to 2007, but decreased in comparison to 2005.

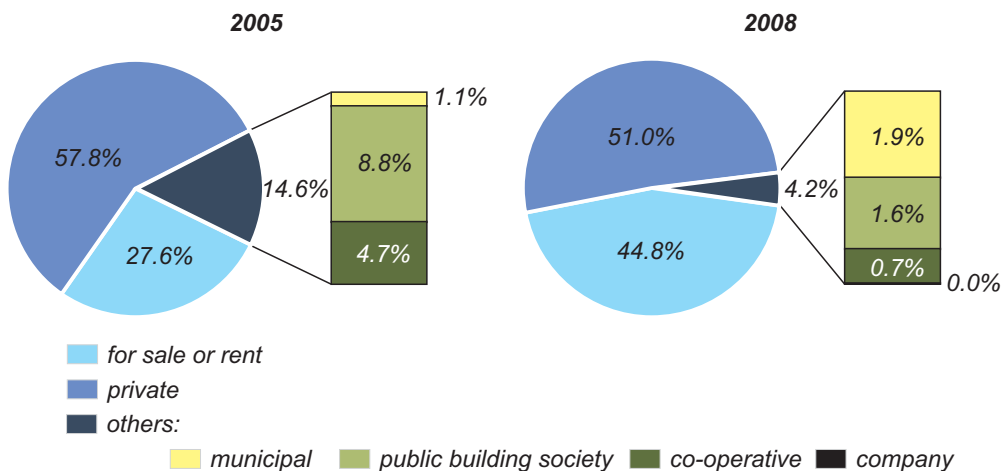
In the year under discussion in the Małopolskie voivodship the length of hard surface public roads was equal 22561 km (more by 2.9% than in 2005), of which improved - 19654 km.

DWELLINGS

As of the end of 2008, dwelling stocks of the Małopolskie voivodship amounted to 1059 thous. dwellings, what means the maintenance of an upward tendency and an increase by 1.5% in relation to the previous year and by 3.8% in comparison with the state three years before. Dwelling stocks constituted 8.1% of the country dwelling stocks. An average usable floor space of a dwelling was 74.8 m^2 (74.3 m^2 a year before, 73.7 m^2 in 2005).

In 2008 in Małopolska 16.0 thous. dwellings were completed, i.e., almost 50% more than in 2005. In comparison to 2007 new realizations increased by 29.2%. An average usable floor space of a dwelling was 103.4 m² (towards 112.1 m² a year before and 106.8 m² three years before). The most dwellings were completed in private construction (51.0%) and for sale or rent (44.8% of total).

Graph 8. Structure of dwellings completed



Source: SO Kraków, own study.

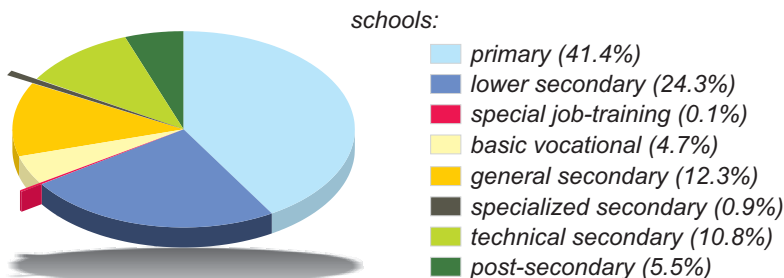
EDUCATION⁶

At the beginning of 2008/09 school year in the Małopolskie voivodship there were:

- 1801 establishments of pre-primary education, attended by 82.8 thous. children (of which to 828 nursery schools - 64.9 thous. children),
- 1490 primary schools (212.0 pupils),
- 730 lower secondary schools (124.0 thous. pupils),
- 158 basic vocational schools (23.8 students),
- 201 general secondary schools (including supplementary) and 68 specialized secondary schools (respectively: 63.2 thous. and 4.5 thous. students),
- 196 technical secondary schools, including supplementary technical secondary and general art schools leading to professional certification (55.2 thous. students),
- 263 post-secondary schools (28.3 thous. students).

⁶ Data from the Educational Information System, administered by the Ministry of National Education - with the exception of the higher education institutions.

Graph 9. Structure of pupils and students in 2008/09 school year by type of schools



S o u r c e: SO Kraków, own study.

Moreover, 20.6 thous. persons attended to 279 schools for adults and 212.2 thous. students educated in 32 higher education institutions. Since 2000 the number of students has increased systematically. The main academic centre is Kraków with 21 higher education institutions.

In primary and lower secondary schools there are less and less pupils, in connection with generations from “population depression” educating in them. The most popular among graduates of lower secondary schools are general secondary schools, attended by over 40% of first class students of upper lower secondary schools. For three years there has been observed another increase of interest in schools teaching profession (basic vocational and technical secondary schools). General art schools in Małopolska are attended by above 10% of all students of such schools in Poland. Students are less and less interested in general specialized schools, which give general education and only professional orientation.

Year in, year out schools are better and better equipped with computers, of which with internet access. The best equipped with computers were: primary schools (in 95.7%), lower secondary schools (in 80.0%) and general secondary schools (in over 78%).

HEALTH CARE AND SOCIAL WELFARE

Basic health care was provided for population by in-patient health care facilities, out-patient health care institutions including occupational medicine and private medical practices financed by own resources of patients or on the basis of contracts with the National Health Fund. As of the end of December 2008 the number of doctors in the voivodship amounted to almost 7 thous., there were 1.1 thous. dentists and 2.2 thous. pharmacists; 1304 out-patient health care institutions functioned (i.e. more by 24 than a year before and by 136 than in 2005) as well as 61 general hospitals (less respectively by: 2 and 14).

Since 2000 there has been an upward tendency of medical consultations provided in the scope of out-patient health care. For several years the number of in-patients of general hospitals has also increased; in 2005 - 1567 per 10 thous. population, in 2008 - already 1702.

As of the end of 2008 the sale of medicines and medications on the area of the voivodship was run by 930 pharmacies and 97 pharmaceutical points. The amount of pharmacies decreased per annum by 11, thereby the number of population per pharmacy increased (from 3485 to 3535).

33 nurseries and 1 nursery ward functioned, in which during the year 4611 children stayed, i.e., more by 189 than a year before and 515 than three years before. For several years the number of children in nurseries has systematically augmented (including nursery ward). At the end of 2008 it reached 24.1 per 1000 children up to age 3 (towards 23.6 in 2007 and 20.0 in 2005). An average stay of a child in a nursery amounted to 77.8 days and it was longer by 4.1 days than a year before.

In 116 stationary social welfare homes and facilities 8618 residents stayed, i.e. more in comparison with 2007 by 224 and with 2005 - by 314. In the year under discussion the rate which express the number of residents of such centres per 10 thous. population reached the value 26.2. Within the space of recent years the number of residents of mentioned homes and facilities showed a slight upward tendency.

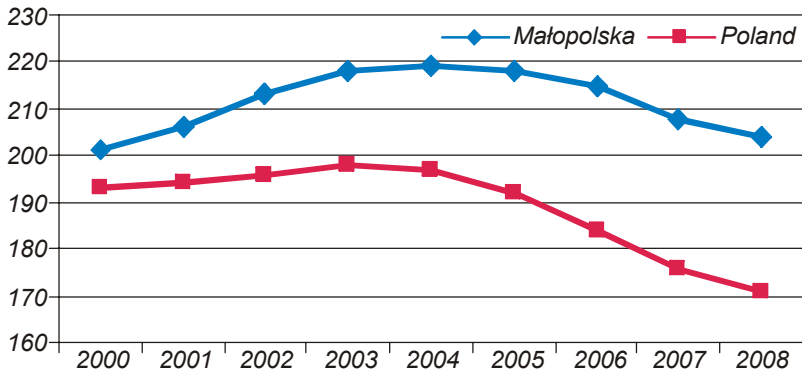
CULTURE

On the area of the Małopolskie voivodship many cultural institutions act resiliently. As regards their amount, Małopolska is in the lead of voivodships. For example, as regards the number of museums it came in first in Poland before Mazowsze and Wielkopolska. The most important centre of cultural life is Kraków, on the territory of which most of cultural institutions were located.

At the end of 2008 in the Małopolskie voivodship there were 763 public libraries (including branches), i.e., 9.1% of all such institutions in Poland. Considering their amount, Małopolska came in third among voviodships, after Mazowsze and Silesia. Last years, the number of public library borrowers was characterised by a slight declining tendency, like the number of loans.

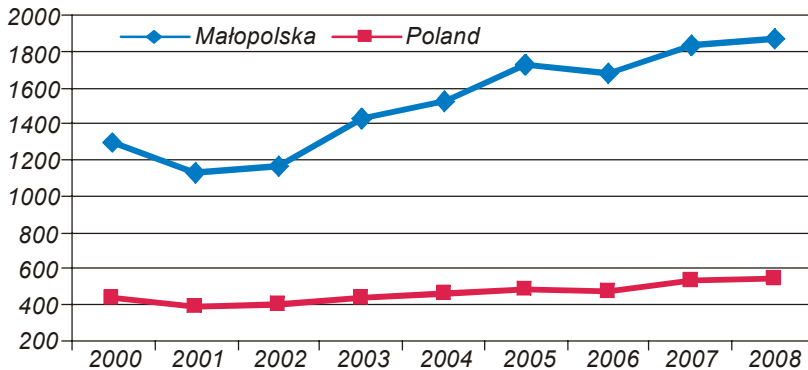
In years 2005-2008 in Małopolska the number of museums (including branches) increased from 104 to 108 and of museum visitors increased from 5644 thous. to 6114 thous. For a few years the number of museum and exhibition visitors per 1000 residents has augmented and in 2008 it amounted to 1863. The amount of art galleries also increased (from 66 to 74) and of exhibitions in Poland, too (from 727 to 742). Against a background of the country museums constituted 14.5% and museum and exhibition visitors - 29.5%.

Graph 10. Public library borrowers per 1000 population



Source: SO Kraków, own study.

Graph 11. Museum and exhibition visitors per 1000 population



Source: SO Kraków, own study.

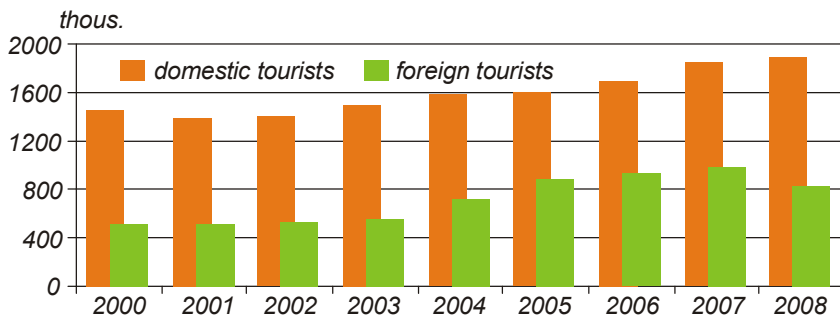
As of 31 XII 2008 in the voivodship 20 theatres and 45 fixed cinemas conducted regular performances, what means only little quantitative changes in relation to the previous years. Qualitative changes are significant, because studio cinemas have been replaced by multiplexes and miniplexes. The relatively high number of audience in fixed cinemas per 1000 population (in 2008 - 1011 persons) insignificantly varied last years. Therefore, one can state that this way of participation in consumption of institutionalized culture was still very common.

TOURISM

The Małopolskie voivodship is one of the regions in Poland where tourism is the most developed. As of the end of July 2008 the boarding facilities of tourism in the voivodship included 872 facilities, offering 68.8 thous. beds in total, what accounted for 11.5% of the country boarding facilities. In comparison to 2007 the number of facilities increased by 29 and to

2005 - by 47, while the amount of beds augmented respectively by: 4.7 thous. and 7.3 thous. In 2008 the number of persons accommodated amounted to 2711 thous., i.e., by 4.2% less than last year but by 8.8% more than three years before. The diminution in annual terms concerned mainly foreign tourists. There was less foreign tourist by 15.4% than a year before. The number of nights spent also was lower (by 0.8%) than in 2007 but higher (by 7.8%) in comparison to 2005 and it amounted to 7954 thous. The graph 12 presents changes which occurred in tourism last years.

Graph 12. Tourists accommodated in collective tourist accommodation establishments



S o u r c e: SO Kraków, own study.

Catering in the voivodship has developed. As of end of July 2008 in collective tourist accommodation establishments there were 273 restaurants, 316 bars and cafes, 331 canteens and 62 food stands.

E c o n o m y

ENVIRONMENTAL PROTECTION

As regards the area (15183 km²), the Małopolskie voivodship has 12th position in the country, before the voivodships: Lubuskie, Śląskie, Świętokrzyskie and Opolskie. It is situated on upland and mountain sites, what considerably contributes to its tourist attractiveness, but also obliges to special care of natural environment.

The number of plants generating substantial air pollution (emitting particulates, gases or particulates and gases) increased from 116 in 2005 and 128 in 2007 to 145 as of the end of the analysed year. But the emission of industrial particulates from the above mentioned plants decreased gradually from 9.3 tonnes in 2005 to 5.7 thous. tonnes in 2008 (7.5% of the country scale), and the emission of gases (excluding CO₂) diminished in years 2005-2008 by 12.8% to 156.2 thous. tonnes (8.7% of the emission in Poland).

During 2008 water withdrawal for needs of the national economy and population in the voivodship amounted to 582.0 hm³, i.e., less by 27.9% in 2007 and by 38.0% than three years before. Water consumption for needs of the national economy and population also within the

space of these years decreased. For example, average water consumption from water-line system in households in urban areas shaped at the level 62.3 hm^3 (similar to the one registered in 2007) and diminished with reference to 2005 by 1.8 hm^3 .

Simultaneously, 543.1 hm^3 of waste water were discharged into waters or into the ground, what means a decrease by 29.0% in comparison to the previous year and by almost 40% in reference to 2005. In Małopolska there were 315 waste water treatment plants, of which 236 municipal waste water treatment plants, servicing approximately 54.4% of the population (last years also above a half, but a little lower percentage).

In the Małopolskie voivodship the amount of waste generated during the year (excluding municipal waste) amounted to 8556 thous. tonnes (a decrease in relation to 2007 by 4.1%). It accounted for 7.4% of the country-wide waste. Generated waste was recovered - 6730 thous. tonnes (78.6%), treated - 1232 thous. tonnes (14.4%) or temporarily stored on plant grounds - 595 thous. tonnes (6.9%).

Total amount of waste (excluding municipal waste) landfilled up to now (accumulated) at the end of 2008 amounted to 145170 thous. tonnes ($9.6 \text{ thous. tonnes/km}^2$), what accounted for 8.4% total quantity of waste landfilled in the country. The voivodship comes in third in Poland (after Śląskie and Dolnośląskie) with such amount of accumulated waste.

Outlays on fixed assets in environmental protection in the year under discussion - 582.5 mln zł - were lower by 10.7% than a year before, but higher by 1.3% than in 2005. However, on fixed assets in water management the voivodship destined 269.1 mln zł, what means the diminution in relation to 2007 and 2005, relatively by: 25.5% and 11.4%.

AGRICULTURE

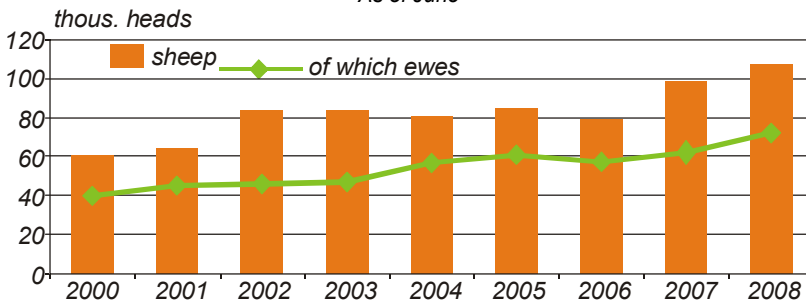
Agricultural land area (by administrative borders, as of June) amounted to 722.2 thous. ha, i.e., more by 0.7% than in 2007 and by 1.5% than in 2005. Private farms constituted over 97% of agricultural land area. In 2008 sown area reached 421.9 thous. ha (i.e., by 5.1% more than a year before), of which the most fell on cereals - 65.1%, feed plants - 14.5% and potatoes - 11.0%.

In the reporting year in Małopolska total crops - 933.2 thous. tonnes of cereal grain - were bigger by 9.4% than a year before and than three years before. Harvest of fruit was also much better but harvest of potatoes, sugar beets and ground vegetables was lower.

In June 2008 in the Małopolskie voivodship stocks of cattle amounted to 228.9 thous. heads (4,0% of the country stocks) and it was lower by 14.0% in relation to the previous year and stocks of sheep - 107.2 thous. heads, i.e., more by 8.5%. Stocks of sheep accounted for 33.1% of the country stocks. Within the space of the year stocks of pigs in the voivodship diminished - by above 5% to 436.3 thous. heads (as of the end of July).

Graph 13. Stocks of sheep in the Małopolskie voivodship

As of June



Source: SO Kraków, own study.

The value of total agricultural products procurement (plant and animal) decreased by 12.8% per annum but it increased by 7.4% in comparison with 2005 amounting to 862.0 mln zł.

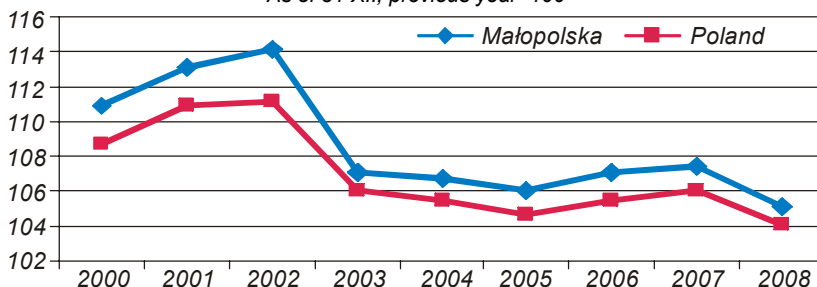
ENTITIES OF THE NATIONAL ECONOMY

As of end of 31 XII 2008 on the area of the Małopolskie voivodship there were 301.6 thous. entities of the national economy in the REGON register (excluding persons tending private farms), i.e., more by 2.6% than a year before. The increase of private sector by 3.0% influenced the increase of total number of entities. In public sector there was a diminution of entities by 7.8%, i.e., less by 688 entities within the space of the year. In comparison with the end of 2005 the number of entities augmented by 4.1%.

At the end of December 2008 the REGON register included 72.7 thous. legal persons and organizational entities without legal personality, which number has systematically increased for several years. Among them there were 19.5 thous. commercial companies (their number augmented by 5.1% per annum), of which 3.4 thous. with foreign capital participation (an increase by 4.7%).

Graph 14. Dynamics of commercial companies

As of 31 XII; previous year=100



Source: SO Kraków, own study.

The private sector assembled 97.3% of all economic entities. Units conducted by natural persons (228.9 thous.) constituted 75.9% of total firms.

In 2008 the second year running, the number of natural persons conducting economic activity increased (by 2.8% in relation to 2007).

Considering the kind of activity, the most economic entities were registered in following NACE sections (PKD 2004): trade and repair (28.7%), real estate, renting and business activities (15.2%) and construction (12.5%).

INDUSTRY AND CONSTRUCTION⁷

For several years in the voivodship it has been observed an increase of sold production of industry. In 2008 sold production of industry amounted to 55615 mln zł and it was more by 11.2% than a year before (in constant prices), in 2007 it increased by 13.7%.

A higher level of revenue from the sale of goods and services was influenced, i.a. by the increase of sold production in manufacturing by 11.5% (towards 14.8% in 2007). In electricity, gas and water supply revenue increased by 7.9% (a year before by 2.7%), and in mining and quarrying - by 5.4% (in 2007 by 1.1%).

In comparison to 2007 in the structure of sold production of industry the share of manufacturing decreased from 90.5% to 89.2% as well as of mining and quarrying from 2.0% to 1.8%. The share of electricity, gas and water supply increased from 7.5% to 9.0%.

The value of construction and assembly production realized in 2008 domestically by construction firms from Małopolska amounted to 6458 mln zł and accounted for 87.5% of total value of construction and assembly works (obtained by construction and non-construction entities).

Sales of construction and assembly production went up in relation to the previous year by 22.2%, what resulted from an increase of the value of works both investment (by 8.0%) and works with a renovation (restoration) character (by 57.9%). In structure of total value of sales the share of investments decreased (by 8.3 percentage points to 63.4%) in favour of renovations (restorations) and other works.

The share of construction and assembly production realized by construction firms of the Małopolskie voivodship amounted to 8.4% of the value of production obtained by such entities in Poland.

TRANSPORT

Year in year out, the number of registered vehicles and trailers augmented. At the end of 2008 it amounted to 1754 thous., i.e., more by 8.1% than a year before and by 24.2% than in 2005. The majority of them were passenger cars - 76.4%.

⁷ It concerns economic entities employing more than 9 persons.

During the year 5.5 mln t of goods were transported by hire or reward road domestic transport (in enterprises employing more than 9 persons), i.e., more in comparison with 2007 by 29.1% and with 2005 by 148.8%, and 5.4 mln t of goods in international transport, what means an increase respectively by 45.8% and as much as 253.7%. It demonstrates a growing popularity of road transport.

TRADE

Year 2008 was the next, in which both wholesale and retail sales realized by trade enterprises employing more than 9 persons increased. The pace of increase was bigger than in 2007 and it still stayed at two-digit level in case of wholesale. The wholesale during twelve months of 2008 closed with the sum of 58131 mln zł, i.e., more by 38.6% than a year before (in 2007 an increase amounted to 10.7%). The retail sales in 2008 amounted to 33892 mln zł, i.e., more by 9.2% than in 2007 (in the previous year it was higher by 11.1%). The number of shops increased from 32.6 thous. in 2005 to 33.7 thous. in the year under discussion. However, it did not concern department stores, trade stores, hipermarkets and supermarkets as well as general and specialized shops. An upward tendency resulted only from the increased number of so-called other shops (it concerns economic entities employing up to 9 persons as well as pharmacies regardless of the number of employed persons), which accounted for 91.2% of total.

The number of catering establishments⁸ also increased and amounted to 1238, while in years 2005 and 2007 it did not exceed a thousand. The sale from the catering activity augmented, too - by 1.4% per annum to 873.4 mln zł, what demonstrates the development of this trade.

FINANCES OF ENTERPRISES

In years 2006 and 2007 the economic and financial situation of enterprises improved - surveyed enterprises obtained financial results more favourable per annum and better indices of economic efficiency. However, in 2008 financial results and main economic indices of surveyed enterprises⁹ shaped less favourably than in 2007 but better than in 2005.

For example, revenues from total activity increased year to year more slowly than costs of obtaining them, what reflected in an increase of the cost level indicator from 94.5% to 95.6% (96.3% in 2005). The net financial result shaped at the level of 6357 mln zł, that is lower by

⁸ *It concerns economic entities employing more than 9 persons.*

⁹ *Data concern economic entities keeping accounting ledgers employing more than 9 persons. Data do not include banks, insurance companies, brokerage houses and brokerage offices, investment and pension societies, National Investment Funds, higher education institutions, independent public health care facilities, cultural institutions with legal personality and private farms in agriculture.*

12.9% than in 2007, but higher by 77.5% than three years before. Positive net financial result was shown by 82.3% of surveyed enterprises (in 2007 - 85.5%, and in 2005 - 77.2%).

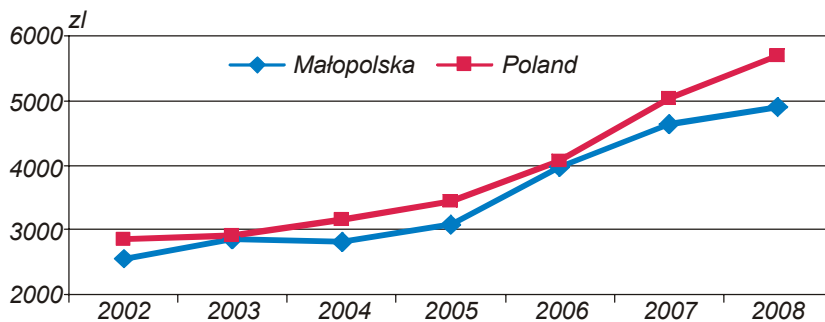
For several years the value of current assets in enterprises has shown an upward tendency. At the end of December 2008 it amounted to 52077 mln zł, i.e., more by 19.0% than in 2007 and by 68.9% than in 2005.

INVESTMENTS AND FIXED ASSETS

In the year under discussion investment outlays (according to investment location) reached 16101 mln zł, of which 10411 mln zł in private sector. Year in, year out they are bigger and bigger. In relation to 2007 they increased by 6.0% and in comparison to 2005 - by 60.1%. By NACE sections (PKD 2004), investment outlays were the highest in industry and they accounted for 26.4% of whole outlays, in real estate, renting and business activities - 21.3% and in construction - 14.9% of total.

Since 2005 investment outlays per capita have shown an upward tendency, and in 2008 their value amounted to 4905 zł. Due to keep the comparability of data, years 2000-2001 have not been shown on the graph (graph 15).

Graph 15. Investment outlays per capita



S o u r c e: SO Kraków, own study.

As of the end of December 2008 gross value of fixed assets¹⁰ in enterprises (in current book-keeping prices) reached 160458 mln zł and therefore it was higher than a year before by 8.0% and than three years before - by 22.4%. Relatively the biggest value of fixed assets was recorded in industry - 27.8% and real estate, renting and business activities - 25.3% of total.

At the end of 2008 gross value of fixed assets per capita in Małopolska amounted to 48814 zł.

¹⁰ The division of fixed assets by NACE rev. 1.1 sections was made according to the abode of local kind-of-activity unit.

GR SS DOMESTIC PRODUCT

Małopolska belongs to better developed voivodships. In 2007 it generated 7.4% of GDP, what gives it the fifth position in Poland. However in 2007 the increase of the GDP volume in comparison to 2005 (in constant prices) was the lowest among voivodships and amounted only to 5.5% (total for Poland 13.4%). Calculating per capita GDP amounted to 26456 zł and it was lower by 14.3% than the average level in Poland. With this result Małopolska came only in tenth in the country before the voivodships: Opolskie, Świętokrzyskie, Warmińsko-mazurskie, Podlaskie, Lubelskie and Podkarpackie.

In 2007 gross value added was elaborated mainly (like in the country) by non-financial corporations sector (46.7%), households sector (32.2%) and general government sector (16.0%). As regards the kind of conducted activity, almost a half (49.5%) of gross value added was elaborated in the sector of market services and the remained part - mainly in industry (24.1%), non-market services (16.0%) and construction (7.5%). These relations in comparison to country-wide figures shaped similarly, merely in case of construction and non-market services exceeded the country average.

In spatial layout, the highest influence of the quantity of the volume of GDP generated in the voivodship was exerted by the city of Kraków (with the share of 42.1%). As regards the level of GDP per capita, Kraków comes in forth (after Warszawa, Poznań and the legnicko-głogowski subregion) among all (66) subregions in the country. In 2007 this measure was higher by 58.9% than on average in Poland.

PUBLIC FINANCE

Revenue

In 2008 local self-government entities of Małopolska worked out total revenue of 11626 mln zł, that is more by 9.5% than in 2007. This amount constituted 8.2% of revenue of self-government entities in Poland. Revenue of gminas budgets (5499 mln zł) accounted for 47.3%, revenue of cities with powiat status (3708 mln zł) - 31.9%, of powiats (1488 mln zł) - 12.8% and of the voivodship (930 mln zł) - 8.0% of total revenue.

In comparison to 2007 the biggest increase of revenue occurred in the voivodship budget - by 24.7% while revenue of powiats increased by 13.6%, gminas - by 7.7% and cities with powiat status increased by 7.4%. In the structure of revenue, own revenue predominated which share amounted to 50.1%, i.e., 5829 mln zł. General subsidy in the amount of 3750 mln zł accounted for 32.3% of total revenue and allocations amounted to 2046 mln zł, i.e., 17.6%.

In 2008 in Małopolska there were per capita 283 zł from the revenue of the voivodship budget, 640 zł from the revenue of powiats budgets, 3876 zł from the revenue of cities with powiat status budget and 2365 zł from the revenue of gminas budget.

Expenditure

Total expenditure of local self-government entities for 2008 amounted to 11923 mln zł and increased by 11.0% in comparison to 2007. It constituted 8.2% of expenditure of self-government entities in Poland. For gminas budgets fell 5601 mln zł (47.0%) of total expenditure, for cities with powiat status budgets 3887 mln zł (32.6%), for powiats budgets (1511 mln zł) 12.7% and for the voivodship budget 923 mln zł (7.7%).

Current expenditure, 9357 mln zł, constituted 78.5% of total expenditure. The remaining amount of 2566 mln zł fell on property expenditure, of which 99.4% was destined for investments. However, among current expenditure wages and salaries accounted for almost 40% (3545 mln zł). The share of investment expenditure in total expenditure amounted to 21.4%.

Calculating per capita in Małopolska expenditure of the voivodship budget amounted to 281 zł, from powiats budget - 650 zł, cities with powiat status - 4063 zł and gminas - 2409 zł.

Graph 16. Structure of revenue and expenditure of local self-government entities budgets in 2008



^a Excluding revenue and expenditure of gminas which are also cities with powiat status.

S o u r c e: SO Kraków, own study.

Local self-government entities closed the year 2008 with a negative financial result of minus 297 mln zł, what in relation to the previous year means its further deterioration (for 2007 - minus 124 mln zł). 108 entities showed a deficit: 93 gminas, 3 cities with powiat status and 12 powiats. A considerable deterioration of the financial situation took place in gminas, because the year 2008 closed with the budget deficit of 75 mln zł. The budget surplus in the year under discussion was shown merely in the voivodship budget.